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**Memorandum for:**

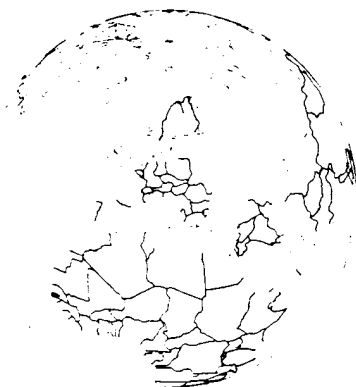
The attached paper, "Italian Minister of Defense Lelio Lagorio's Visit" was prepared [ ] for Secretary of Defense Weinberger at his request. It was designed as background for his meeting with Lagorio.

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17 January 1983

MEMORANDUM FOR: The Secretary of Defense

SUBJECT: Italian Minister of Defense Lelio Lagorio's Visit

1. Italian Minister of Defense Lelio Lagorio's visit here takes place against a background of widespread labor unrest and continuing tension within the fragile four-party -- Christian Democratic, Socialist, Social Democratic, Liberal -- governing coalition. [REDACTED]

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2. The Italian economy is now beginning to feel the full impact of the worldwide recession. New austerity measures have led to numerous wildcat strikes and a nationwide strike will take place today. The program has been a source of controversy within the coalition, and Prime Minister Fanfani pushed the measures through last week by only a single ballot, despite his theoretical 105 vote margin. While most Christian Democratic and Socialist leaders joined to back these measures, the rivalry between these two parties brought down the last two governments and could easily get out of hand again in the near future. [REDACTED]

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3. Part of Lagorio's mission, we believe, is to emphasize his role as a representative of the Socialist Party, particularly in light of last week's visit here by Christian Democratic Party Secretary Ciriaco DeMita. Socialist Party leaders believe that strengthening their bid for the premiership involves convincing Italians that Washington finds the Socialists as acceptable as the Christian Democrats. While the Socialists have been especially supportive of US policies on East-West questions -- INF and the pipeline for example -- they have tended to march to their own drummer on Third World questions. [REDACTED]

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4. Lagorio was appointed Minister of Defense in 1980 on the strength of his close ties to party leader Craxi and his reputation for honesty and capable administration. A member of the Socialist Party since 1955, he has served on its National Council and Directorate and has headed its offices for organization, problems of the state, and regional government affairs. Craxi considers Lagorio one of his most trustworthy

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lieutenants, and frequently allows him to be a party spokesman on foreign policy questions. Lagorio's personal following within the party is small, however, and limited to the area around Florence. [REDACTED]

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5. Lagorio had only a limited knowledge of defense matters prior to entering the cabinet, and his selection was viewed initially with suspicion and in some cases borderline hostility by the Italian defense establishment. Skeptics have gradually revised these initial impressions, and US officials in Rome report that opinions of Lagorio within the armed forces now range from grudging respect to something just short of admiration. During the past three years Lagorio has demonstrated a genuine desire to upgrade Italy's military potential as well as a political and bureaucratic agility that has enabled him to score significant successes against strong odds. [REDACTED]

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6. Lagorio almost certainly intends to focus discussion on security issues during your discussions -- INF, the Mediterranean in general, and the Middle East and the Horn of Africa in particular, and two-way defense purchases.

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o He will insist that Italy is determined to deploy GLCMs on schedule, but we expect that he will reflect his government's concern about the impact that recent Soviet proposals have had on European publics and will probably argue that the West must recapture the initiative on arms control by shifting its position on the "zero option." [REDACTED]

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o Lagorio is presumably pleased at US efforts to conclude a contract with an Italian firm for repair of C-130s, but he is convinced that defense industrial cooperation among the Atlantic Allies remains a "one way street" and he can be counted on to argue for more US purchases of military equipment manufactured in Italy.

o He probably will also be anxious to discuss the future of the multi-national force in Lebanon. The Italians are prepared to send an additional 1,000 troops to Lebanon and to assist the Lebanese army with equipment and advice. [REDACTED]

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